

# 2011 - 2012 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
5	1	A	1

**Budget Action Title:** Amend and pass as amended C.B. 116926 -- the 2011-2012 drainage rate ordinance, and revise the proposed 2011-2012 SPU budget accordingly; and increase GSF revenues to reflect increased tax revenues.

**Councilmembers:** Conlin; Harrell; O'Brien

**Staff Analyst:** Meg Moorehead

**Council Bill or Resolution:** C.B. 116926, gray tab 38

Date		Total	SB	BH	SC	TR	JG	NL	RC	TB	MO
	Yes										
	No										
	Abstain										
	Absent										

## Summary of Dollar Effect

See the following pages for detailed technical information

	2011 Increase (Decrease)	2012 Increase (Decrease)
<b>General Subfund</b>		
<b>General Subfund Revenues</b>	\$48,000	\$130,000
<b>General Subfund Expenditures</b>	\$0	\$0
<b>Net Balance Effect</b>	\$48,000	\$130,000
<b>Other Funds</b>		
<b>Drainage and Wastewater Fund</b>		
<b>Revenues</b>	\$412,000	\$1,109,000
<b>Expenditures</b>	(\$91,000)	(\$142,000)
<b>Net Balance Effect</b>	\$503,000	\$1,251,000
<b>Total Other Funds</b>	\$503,000	\$1,251,000
<b>Total Budget Balance Effect</b>	\$551,000	\$1,381,000

### Budget Action description:

This green sheet would amend and recommend passage as amended of C.B. 116926 (tab 38 in the gray budget legislation notebook), the 2011-2012 drainage rate ordinance. Seattle Public Utilities (SPU) is currently revising the legislation to reflect Seattle Public Utilities and Neighborhoods (SPUN) Committee-recommended changes. The revised Council Bill will be attached to a new version of this green sheet before the Round 2 Budget Committee vote.

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The SPU-proposed rate ordinance was re-referred to the Budget Committee together with SPUN Committee recommendations for changes in the rates and associated budget expenditures. SPUN recommendations affect DWF expenditures that are supported by both drainage rates and wastewater rates. Instead of splitting the expenditure changes between this green sheet and the wastewater rate green sheet 6-1-A, the entire change (including the associated utility tax and General Subfund revenue changes) is shown on this green sheet. Thus approval of this green sheet relies on approval of green sheet 6-1-A and C.B. 116928 (tab 40 in the gray budget legislation notebook).

SPUN recommendations have the seemingly contradictory effect of increasing rates but reducing the proposed budget:

- Rate increases. SPUN-recommended rates include late-breaking cost increases identified during budget preparation but after rate submittal. These late-breaking increases include cost shifts from other SPU Funds to the Drainage and Wastewater Fund (DWF) and increased staff hours for operations and maintenance activities instead of capital projects. Because the late-breaking cost increases were not in the original rates proposal, SPUN recommendations result in a net rate increase (13.8% average 2011 system increase instead of 12.5%) compared to the SPU-proposed rate ordinance despite SPUN-recommended spending reductions to reflect work force efficiencies from actions such as shift changes. The recommended rate increase requires a commensurate increase in appropriation authority to pay resulting taxes, including City utility taxes.
- Budget reduction. Spending authority for late-breaking cost increases is included in the proposed budget but authority for associated tax payments is not. Spending increases for those tax payments and spending decreases to implement SPUN's recommendation for work force efficiencies result in a net budget decrease.

Because the City Budget Office and SPU did not want to presume Council approval of the late-breaking cost increases, the proposed budget did not include increased utility tax revenue associated with those increases. Approval of the late-breaking cost increases, and any resulting General Subfund (GSF) utility tax changes, was left to the Council's discretion. Thus this green sheet would increase GSF utility tax revenues to reflect SPUN recommendations to approve the late-breaking cost increases.

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### Budget Action Transactions

**Budget Action Title:** Amend and pass as amended C.B. 116926 -- the 2011-2012 drainage rate ordinance, and revise the proposed 2011-2012 SPU budget accordingly; and increase GSF revenues to reflect increased tax revenues.

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Decrease labor costs to reflect work force efficiencies				SPU	Other Operating	N400B-DW	44010	2011		(\$150,000)
2	Decrease labor costs to reflect work force efficiencies				SPU	Other Operating	N400B-DW	44010	2012		(\$300,000)
3	Increase tax payments (City and state) associated with higher drainage and wastewater rates				SPU	General Expense	N000B-DW	44010	2011		\$59,000
4	Increase tax payments (City and state) associated with higher drainage and wastewater rates				SPU	General Expense	N000B-DW	44010	2012		\$158,000
5	Increase GSF drainage and wastewater tax revenues				GSF	Utilities Business Tax - Drainage/Waste Water (100%)	516440	00100	2011	\$48,000	
6	Increase GSF drainage and wastewater tax revenues				GSF	Utilities Business Tax - Drainage/Waste Water (100%)	516440	00100	2012	\$130,000	
7	Increase Drainage and Wastewater Fund (DWF) revenues to reflect increased drainage rates				SPU	Drainage Utility Services	443610	44010	2011	\$206,000	
8	Increase DWF revenues to reflect increased drainage rates				SPU	Drainage Utility Services	443610	44010	2012	\$540,000	

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
9	Increase DWF revenues to reflect increased wastewater rates				SPU	Wastewater Utility Services	443510	44010	2011	\$206,000	
10	Increase DWF revenues to reflect increased wastewater rates				SPU	Wastewater Utility Services	443510	44010	2012	\$569,000	
11	Decrease use of working capital to reflect spending reductions				SPU	Decrease (Increase) in Working Capital	379100	44010	2011	(\$503,000)	
12	Decrease use of working capital to reflect spending reductions				SPU	Decrease (Increase) in Working Capital	379100	44010	2012	(\$1,251,000)	